

SECOND PARTY OPINION

on the sustainability of Edison International’s Sustainable Financing Framework

V.E is of the opinion that Edison International’s Sustainable Financing Framework is aligned with the four core components of the Green Bond Principles 2018 (“GBP”) and Social Bond Principles 2020 (“SBP”).



Framework

Contribution to Sustainability:



	Weak	Limited	Robust	Advanced
Expected impacts	[Advanced]			
ESG risks management	[Robust]			

SDG Mapping



Characteristics of the Framework

Project Categories	⇒ 4 Green Categories ⇒ 1 Social Category
Project locations	California, United States
Target Population	Diversity-owned small businesses (For the Social Category)
Existence of framework	Yes
Share of refinancing	To be communicated before each issuance
Look back period	24 months

Issuer

Controversial Activities

The Issuer appears to be involved in two of the 17 controversial activities screened under our methodology:

- Alcohol
- Animal welfare
- Cannabis
- Chemicals of concern
- Civilian firearms
- Fossil fuels industry
- Coal
- Gambling
- Genetic engineering
- High interest rate lending
- Coal
- Human embryonic stem cells
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tar sands and oil shale
- Tobacco

Controversies

Number of controversies	6
Frequency	Frequent
Severity	High
Responsiveness	Proactive

Coherence

Coherent
Partially coherent
Not coherent

We are of the opinion that the contemplated Framework is coherent with Edison International’s strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer’s sustainability commitments.



Keys findings

V.E is of the opinion that Edison International's Sustainable Financing Framework is aligned with the four core components of the GBP and SBP.

Use of Proceeds - aligned with GBP, SBP and best practices identified by VE

- The Eligible Categories are clearly defined and detailed. The Issuer has communicated the nature of the expenditures, the eligibility criteria, the target population for the Social Categories and the location of the projects.
- The Environmental and Social Objectives are clearly defined, these are relevant for all of the Eligible Categories and set in coherence with sustainability objectives defined in international standards.
- The Expected Environmental and Social Benefits are clear and precise; these are considered relevant, measurable and will be quantified for all of the eligible projects in the reporting.
- The Issuer has committed to transparently communicate the share of refinancing for each bond issuance. The look-back period for refinanced Eligible Categories will be equal to or less than 24 months.

Evaluation and Selection - aligned with GBP, SBP and best practices identified by VE

- The process for Project Evaluation and Selection has been clearly defined and detailed by the Issuer. It is considered well structured in terms of all the evaluation and selection steps (including proposal, selection, validation and monitoring of Eligible Projects). The roles and responsibilities are clear and include relevant internal expertise. The process will be publicly disclosed in the herewith SPO.
- The Eligibility Criteria (selection and exclusion) for project selection have been clearly defined by the Issuer for all of the Eligible Categories.
- The process to identify and manage potential material E&S risks associated with the projects is publicly disclosed in this SPO. The process is considered robust and it combines monitoring, identification and corrective measures for all categories.

Management of Proceeds - aligned with GBP and SBP

- The process for the allocation and management of the proceeds is clearly defined and is publicly disclosed in the herewith SPO as well as in the Framework.
- The allocation period of proceeds is expected to be 24 months or less.
- The net proceeds of the instruments will be placed in the Issuer's General Treasury account and tracked in an appropriate manner in a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- The Issuer has committed that as long as the instrument is outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible projects during that period.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reallocate the divested proceeds to projects that are compliant with the Framework within 24 months.



Reporting - aligned with GBP and SBP

- The Issuer has committed to report on the use of proceeds annually, until full allocation and on a timely basis in case of material developments. The report will be publicly available until instrument maturity. If the report is externally verified, this verification will also be made publicly available.
- The reporting will cover relevant information related to the allocation of instrument proceeds and to the expected sustainable benefits of the projects.
- The reporting methodology and assumptions used to report on environmental and social benefits of the Eligible Categories will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Categories until full allocation and in case of material changes. Indicators used to report on environmental and social benefits will be verified internally by the Issuer.

Contact

Sustainable Finance Team | VEsustainablefinance@vigeo-eiris.com

SCOPE

V.E was commissioned to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the sustainability credentials and management of the Green, Social and Sustainable Financing Instruments¹ (“Instruments”) to be issued by Edison International and subsidiaries/affiliates (the “Issuer”, “Issuing Entity” or “Edison”) in compliance with the Sustainable Financing Framework (the “Framework”) created to govern their issuance.

Our opinion is established according to V.E’s Environmental, Social and Governance (“ESG”) exclusive assessment methodology and to the latest version of the ICMA’s Green Bond Principles (“GBP”) - updated in June 2018 - and Social Bond Principles (“SBP”) - updated in June 2020 - voluntary guidelines (referred to together as the “GBP & SBP”).

Our opinion is built on the review of the following components:

- Framework: we assessed the Framework, including the coherence between the Framework and the Issuer’s environmental commitments, the Instruments’ potential contribution to sustainability and the Framework’s alignment with the four core components of the GBP & SBP.
- Issuer²: we assessed the Issuer’s management of potential stakeholder-related ESG controversies and its involvement in controversial activities³.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from V.E’s exclusive ESG ratings database, and (iii) information provided by the Issuer, through documents and interviews conducted with the Issuer’s managers and stakeholders involved in the Instruments’ issuance. Our communication was performed via a telecommunications system.

We carried out our due diligence assessment from April 28 to June 2, 2021. We consider that we were provided with access to all of the appropriate documents and interviewees we solicited. To this purpose, we used our reasonable efforts to verify the provided data’s accuracy.

Scope of External Reviews

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input type="checkbox"/>	Independent verification of impact reporting
<input checked="" type="checkbox"/>	Independent verification of funds allocation	<input type="checkbox"/>	Climate Bond Initiative Certification

¹ The “Green Financing Instruments” are to be considered as the financing instruments to be potentially issued, subject to the discretion of the Issuer. The name “Green Financing Instruments” has been decided by the Issuer: it does not imply any opinion from V.E.

² Edison International is a part of V.E’s rating universe - the last ESG rating was performed in 2020. In agreement with the Issuer, this Second Party Opinion does not include the 2020 assessment of its ESG performance.

³ The 17 controversial activities screened by V.E are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

We are of the opinion that the contemplated Framework is coherent with Edison's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

Increasing the share of renewable energy globally is a key action needed to mitigate climate change.

Electricity generation from renewables is expected to expand almost 50% between 2020 and 2025, to almost 9,745 TWh – equivalent to the combined demand of China and the European Union. By 2025, the share of renewables in total electricity generation is expected to be 33%, surpassing coal-fired generation.⁴

As of 2019, about a dozen U.S. states had renewables portfolio standards of 50 percent or more. This includes 100 percent renewable goals in Hawaii and Maine, as well as the District of Columbia and the territory of Puerto Rico. A few more states have 100 percent "clean energy" goals, which include renewables and other carbon-free energy sources.⁵ In California, legislation required 33% of retail sales to be sourced from renewable sources by 2020, a target that is set to increase to 60% by 2030 and reach 100% from carbon-free sources by 2045.⁶

Regarding access to energy, the Sustainable Development Goals (SDGs) proposed by the Open Working Group of the General Assembly of the United Nations recognize the importance of the natural environment and its resources to human well-being. Goal n°7 - to "ensure access to affordable, reliable, sustainable and modern energy for all" - is a challenge confronting every country globally. The UN Advisory Group on Energy and Climate Change has called for adoption of the goal of universal access to modern energy services by 2030. The UN is encouraging governments and other actors to increase awareness of the importance of addressing energy issues and to promote action at local, national, regional and international levels.

Edison International is one of the largest electric utility holding companies in the U.S., providing energy and energy services through its independent companies. Edison International is the parent company of Southern California Edison ("SCE"). SCE is a wires-focused company, with less than 20% of electricity sales coming from its own generation. SCE-owned generation assets consist predominantly of natural gas, hydroelectric and nuclear power plants. SCE does not own coal generation.

Edison International's vision is to lead the transformation of the electric power industry toward a clean energy future, focusing on opportunities in clean energy, efficient electrification, grid of the future, and customer solutions. Through its main subsidiary, SCE, Edison International is focused on proactively addressing wildfire risk, cleaning the power system, helping customers make cleaner energy choices, strengthening and modernizing the grid, and achieving operational and service excellence.

In 2020, the Issuer adopted a set of long-term sustainability goals covering material ESG topics related to the clean energy transition; electrification; diversity, equity and inclusion; and public and worker safety to enable stakeholders to track progress on the company's commitments. Among other things, the goals include delivering 100% carbon-free power to SCE's customers by 2045, with an interim goal of 80% by 2030.

SCE divested from and terminated all contracts with coal-burning resources between 2005 and 2015 and has no coal in its specified portfolio. The Issuer has also reduced the need for new generating resources through energy-efficiency programming and incentives.

⁴ <https://www.iea.org/reports/renewables-2020/renewable-electricity-2#abstract>

⁵ <https://www2.deloitte.com/us/en/insights/industry/power-and-utilities/organizational-energy-use-100-percent-renewables.html>

⁶ <https://pv-magazine-usa.com/2019/02/25/golden-state-is-officially-a-third-renewable-growth-not-stopping-though/>



SCE has been recognized by the Smart Electric Power Alliance⁷ as a leader in solar and energy storage for a number of years. Additionally, in April 2021, the Issuer was named one of the top 10 utilities accelerating the utility transformation to a carbon-free, modern grid in the Issuer's new Utility Transformation Challenge.

In 2020, an estimated 43% of power SCE delivered to customers came from carbon-free resources, including 31% from renewable resources, including solar, wind, biomass and biowaste; 8% from nuclear; and 3% from large hydroelectric resources.

SCE has also worked to promote economic development in areas where they operate. In 2020, SCE retained, expanded and/or attracted more than 10.500 jobs in its service territory through 34 projects. This translated into an extra \$5.4 million in revenue for these areas. The Issuer has also committed to develop the local workforce through its philanthropic contributions, including scholarships focused on science, technology, engineering and math (STEM), internship programs, and support for local entrepreneurs.

By creating a Sustainable Financing Framework to finance or refinance Eligible Projects falling under the four green and one social Eligible Categories, the Issuer coherently aligns with its sustainability strategy and commitments and addresses the main issues of the sector in terms of sustainable development.

⁷ <https://sepapower.org/>

FRAMEWORK

The Issuer has described the main characteristics of the Instruments within a formalized Sustainable Financing Framework which covers the four core components of the GBP 2018 and SBP 2020 (the last updated version was provided to V.E on June 2, 2021). The Issuer has committed to make this document publicly accessible on Edison's website, in line with good market practices.

Alignment with the Green Bond Principles and Social Bond Principles

Use of Proceeds



The net proceeds of the Instruments will exclusively finance or refinance, in part or in full, projects falling under four Green Project Categories and one Social Project Category ("Eligible Categories"), as indicated in Table 1.

- The Eligible Categories are clearly defined and detailed. The Issuer has communicated the nature of the expenditures, the eligibility criteria, the target population for the Social Categories and the location of the projects.
- The Environmental and Social Objectives are clearly defined, these are relevant for all of the Eligible Categories and set in coherence with sustainability objectives defined in international standards.
- The expected Environmental and Social Benefits are clear and precise; these are considered relevant, measurable and will be quantified for all of the eligible projects in the reporting.
- The Issuer has committed to transparently communicate the share of refinancing for each bond issuance.
- The look-back period for refinanced Eligible Projects will be equal to or less than 24 months.

Nature of expenditures: Construction, engineering, maintenance, development of projects, acquisition, clean transport support infrastructure, energy storage projects and others described in the table below.

Location of Eligible Projects: Projects will be developed mainly in California, United States.

BEST PRACTICES

- ⇒ Content, eligibility and exclusion criteria are clear and in line with international standards for all categories.
- ⇒ Relevant environmental and/or social benefits are identified and measurable for all project categories.
- ⇒ The Issuer has committed to transparently communicate the estimated share of refinancing for each bond issuance.
- ⇒ The look-back period for refinanced projects is equal to or less than 24 months, in line with good market practices.

Table 1. V.E's analysis of Eligible Categories, Sustainability Objectives and Expected Benefits as presented in the Issuer's Framework

ELIGIBLE CATEGORIES	ELIGIBLE SUB-CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
Renewable Energy ⁸	Direct Interconnection, Integration and Delivery Infrastructure for Renewables	Expenditures related to the direct interconnection, integration and delivery infrastructure for renewable generation sources into the grid, including: <ul style="list-style-type: none"> - Transmission and distribution infrastructure necessary to interconnect renewable energy generation sources. - Transmission and distribution infrastructure necessary to enable the delivery of interconnected renewable energy generation projects to customers. - Other infrastructure necessary to integrate renewable energy into the grid reliably. 	<u>Climate change mitigation</u> Avoidance of GHG emissions	The Eligible Category is clearly defined and detailed. The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of the projects. The Environmental Objective is clearly defined and relevant for all of the Eligible Projects; it is set in coherence with sustainability objectives defined in international standards. The expected environmental benefit is clear; this is considered relevant, measurable and will be quantified for all of the eligible projects in the reporting.
	Grid Modernization	Projects which support customer adoption of carbon-free energy technologies, including: <ul style="list-style-type: none"> - Engineering and planning software tools, communication and automation investments for grid management, distributed energy hosting capacity reinforcements which contribute to customer use of carbon-free energy technologies. 		
	Renewable Energy Generation	Expenditures related to the construction, engineering, development, acquisition and/or maintenance of distributed renewable energy projects.		

⁸ The Issuer will exclude from this category those renewable sources with GHG intensity above 100gCO₂/kWh. For Bioenergy projects, the client will exclude those projects without sustainable feedstock, addressing food security risks and deforestation risks.

ELIGIBLE CATEGORIES	ELIGIBLE SUB-CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
Clean Transportation	Clean Transportation Infrastructure	Expenditures related to the construction, development, operation, acquisition and/or maintenance of electric grid infrastructure supporting sustainable mobility and electric vehicles including: <ul style="list-style-type: none"> - Electric vehicle charging stations - Transmission and Distribution systems and facilities supporting clean transportation, such as network extensions or capacity upgrades. 	<u>Climate change mitigation</u> Avoidance of GHG emissions	<p>The Eligible Category is clearly defined and detailed.</p> <p>The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of the projects.</p> <p>The Environmental Objective is clearly defined and relevant for all of the Eligible Projects, it is set in coherence with sustainability objectives defined in international standards.</p> <p>The expected environmental benefit is clear, this is considered relevant, measurable and will be quantified for all of the eligible projects in the reporting.</p>
	Fleet Electric Vehicles	Procurement of electric vehicles for the company's transportation fleet.		
Energy Efficiency & Carbon Reduction	Grid Modernization	Devices and/or infrastructure which support customer energy efficiency, reliability, resiliency, and/or exchange of renewable electricity between users, including: <ul style="list-style-type: none"> - Smart grids. - Smart meters. - Engineering and planning software tools, communication and automation investments for grid management, distributed energy hosting capacity reinforcements which contribute to customer use of energy efficient technologies that reduce a customer's carbon footprint. 	<u>Energy efficiency</u> Increase of energy efficiency <u>Climate change mitigation</u> Avoidance of GHG emissions	<p>The Eligible Category is clearly defined and detailed.</p> <p>The Issuer has communicated the nature of the expenditures, the eligibility criteria, and locations of the projects.</p> <p>The Environmental Objective is clearly defined and relevant for all of the Eligible Projects; it is set in coherence with sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear; these are considered relevant, measurable and</p>

ELIGIBLE CATEGORIES	ELIGIBLE SUB-CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
Energy Efficiency & Carbon Reduction	Energy Storage ⁹	Acquisition, conception, construction, development and/or interconnection of electricity storage facilities to: <ul style="list-style-type: none"> - Support efficient integration of renewable energy including power grid stabilization and/or management of peak generation. - Enable efficient use of transmission and distribution infrastructure. 	<u>Energy efficiency</u> Increase of energy efficiency <u>Climate change mitigation</u> Avoidance of GHG emissions	will be quantified for all of the eligible projects in the reporting.
	Energy Efficiency	Replacements and / or improvements to reduce energy losses, improve resilience and improve energy efficiency through investment in: <ul style="list-style-type: none"> - Grid assets - Utility operations, including offices - Customer programs and enabling infrastructure. 		
	Customer Sustainability Programs	Expenditures in programs and technology required to enable customer choice including energy efficiency investments, demand response participation and other programs that reduce a customer's carbon footprint or increase energy efficiency.		

⁹ The Issuer states only energy storage technologies consistent with its decarbonization objectives will be considered eligible under the Framework and will not consider the use of pumped hydropower or power-to-gas technologies.

ELIGIBLE CATEGORIES	ELIGIBLE SUB-CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
Climate Change Adaptation	Climate Change Adaptation for Elevated Wildfire Risk	<p>Expenditures related to minimizing the impacts on customers that result from elevated wildfire risk and its impact on the service assets and the areas in which the Issuer operates through adaptive measures, which may include:</p> <ul style="list-style-type: none"> - Infrastructure hardening (e.g., replacement of overhead bare conductor with covered conductor or underground conductor, reducing the associated wildfire risk, installation of fast-acting fuses to reduce electrical currents during instances of a downed wire). - Investments in technology and community resiliency programs to minimize the frequency and impact of service disruptions. - Improved fire situational awareness (e.g., information support systems such as climate observation and early warning systems). <p>The Issuer states that projects in this category include covered conductors and sensors to monitor sea level rise at coastal facilities.</p>	<p><u>Climate change adaptation</u></p> <p>Increasing resilience to climate change</p>	<p>The Eligible Category is clearly defined and detailed.</p> <p>The Issuer has communicated the nature of the expenditures, the eligibility criteria, and location of the projects.</p> <p>The Environmental Objective is clearly defined and relevant for all of the Eligible Projects; it is set in coherence with sustainability objectives defined in international standards.</p> <p>The expected environmental benefit is clear; this is considered relevant, measurable and will be quantified for all of the eligible projects in the reporting.</p>
	Other Climate Adaptation	<p>Expenditures related to minimizing the impacts on customers that result from climate change and its impact on the company's service assets and the areas in which the Issuer operates through adaptive measures, specifically to mitigate potential risk from extreme weather events:</p> <ul style="list-style-type: none"> - Investments in technology and community resiliency programs to minimize frequency and impact of service disruptions. - Information support systems such as climate observation and early warning systems. 		

ELIGIBLE CATEGORIES	ELIGIBLE SUB-CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
Socio-Economic Advancement and Empowerment, Including Gender Inclusion	Diverse Supplier Procurement and Empowerment:	<p>Expenditures and program investments related to enabling opportunities for diverse business enterprises (small businesses that are minority-owned, women-owned, veteran-owned, and/or LGBTQ-owned). Examples include:</p> <ul style="list-style-type: none"> - Procurement of products and services from diverse business enterprises. - Programs that empower diverse and/or small businesses through technical assistance, capacity building and mentoring programs. 	<p><u>Reduce inequality</u> Increase access to business opportunities for minorities</p> <p><u>Promote gender equality</u> Increase access to business opportunities for women</p>	<p>The Eligible Category is clearly defined and detailed.</p> <p>The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of the projects.</p> <p>The target population is clearly defined, it includes women and minority-owned small businesses.</p> <p>The Social Objective is clearly defined and relevant for all of the Eligible Projects; it is set in coherence with sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear; these are considered relevant, measurable and will be quantified for all of the eligible projects in the reporting.</p>

SDG Contribution

The Eligible Categories are likely to contribute to seven of the United Nations' Sustainable Development Goals ("SDGs"), namely:

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Socio-Economic Advancement and Empowerment, Including Gender Inclusion		5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
Renewable Energy Energy Efficiency & Carbon Reduction		7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency.
Socio-Economic Advancement and Empowerment, Including Gender Inclusion		8.8 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
Clean Transportation Climate Change Adaptation		9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
Socio-Economic Advancement and Empowerment, Including Gender Inclusion		10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status
Clean Transportation		11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Climate Change Adaptation		13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



Evaluation and Selection of Eligible Projects



- The process for Project Evaluation and Selection has been clearly defined and detailed by the Issuer. It is considered well-structured in all of the evaluation and selection steps (including proposal, selection, validation and monitoring of Eligible Projects). The roles and responsibilities are clear and include relevant internal expertise. The process will be publicly disclosed in the herewith SPO.
- The Eligibility Criteria (selection and exclusion) for project selection have been clearly defined by the Issuer for all of the Eligible Categories.
- The process to identify and manage potential material E&S risks associated with the projects is publicly disclosed in this SPO. The process is considered robust, it combines monitoring, identification and corrective measures for all categories.

Process for Project Evaluation and Selection

For the purpose of the Instruments, Edison International established a Sustainable Financing Committee¹⁰ (“the Committee”). This Committee is composed of senior members of:

- EIX Treasury (Chairperson)
- Sustainability
- Operations
- Finance

Members from different project teams will annually recommend Eligible Projects to the Sustainable Financing Committee.

The Committee will screen and assess that the Eligible Projects meet the eligibility and exclusion criteria laid out in the Use of Proceeds section of the Framework, as well as in Edison International’s Sustainability Policies and Procedures.

Once screened, the Finance Department will allocate based on actual spend on the Eligible Projects using internal systems.

The traceability and verification of the selection and evaluation of the projects is ensured throughout the process:

- The Issuer reports it will monitor potential ESG controversies associated with Eligible Projects through its third-party reputational screening of suppliers, recipients of corporate philanthropy and other third parties. Edison International uses third-party service provider (NAVEX Global) as well as D&B Alerts to screen and monitor suppliers and other third parties on the basis of negative media from worldwide sources, global sanctions and watchlists, and politically exposed persons. Once suppliers/third parties are screened, they continue to monitor on a daily basis for as long as a relationship exists.
- The Committee will annually review the list of Eligible Projects against the eligibility and exclusionary criteria. If a project no longer meets the eligibility criteria set forth in the Framework, then the project will be removed from the register and replaced as soon as possible¹¹ with another eligible project.
- The Issuer is committed to keeping an internal record of the decisions taken by the Committee.

¹⁰ The Committee members of the Sustainability, Finance and Operations will represent the Issuing entity.

¹¹ Less than 24 months



Eligibility Criteria

The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental objectives defined for the Eligible Categories.

- The selection criteria are based on definitions within Eligible Categories defined in Table 1 in the Use of Proceeds section.
- The Issuer has stated in the Framework that it will use an exclusion criteria applicable to all categories. Activities excluded from the financing by each Issuing Entity's Green Social or Sustainable (GSS) Financing Instruments include:
 - Fossil fuel energy
 - Nuclear energy
 - Large hydro (i.e., hydro units with capacity greater than 30MW)

BEST PRACTICES

- ⇒ Eligibility and exclusion criteria for project/asset selection are clearly defined and detailed for all of the eligible categories.
- ⇒ The Issuer reports that it will monitor compliance of selected projects with eligibility and exclusion criteria specified in the Framework throughout the life of the instrument and has provided details on content/frequency/duration and on procedures adopted in case of non-compliance.
- ⇒ The Issuer reports that it will monitor potential ESG controversies associated with the projects/assets throughout the life of the instrument and has provided details on frequency, content and procedures in case a controversy is found on a project.



Management of Proceeds



- The process for the allocation and management of the proceeds is clearly defined and is publicly disclosed in the herewith SPO and in the Framework.
- The allocation period of proceeds is expected to be 24 months or less.
- The net proceeds of the instruments will be placed in the Issuer's General Treasury account and tracked in an appropriate manner under a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- The Issuer has committed that as long as the instrument is outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible projects during that period.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reallocate the divested proceeds to projects that are compliant with the Framework.

Management Process

Edison International's Treasury team will manage the allocation of an amount equivalent to the net proceeds of its GSS Financing Instruments to Eligible Projects.

The unallocated funds would be held within Edison International's Treasury in accordance with its usual Treasury Investment Strategy. Pending full allocation of an amount equal to the net proceeds of outstanding GSS Financing Instruments, the proceeds will be held in temporary investments such as cash, cash equivalents and/or other liquid marketable investments in line with Edison International's Treasury management policies or used to pay outstanding indebtedness.

The Issuing Entity's Treasury team will manage the allocation of an amount equivalent to the net proceeds of its GSS Financing Instruments to Eligible Projects. Edison International will strive to achieve a level of allocation to the Eligible Projects portfolio that matches or exceeds the balance of net proceeds of its outstanding GSS Financing Instruments within 24 months of issuance of each GSS Financing Instrument.

In case of a project's postponement, cancellation, divestment or ineligibility, or in case an Eligible Project has matured, the Issuer has committed to replace the no longer Eligible Project with a new Eligible Project. In case the Eligible Projects portfolio is smaller than the Instruments' net proceeds outstanding, Edison has committed to fill the gap and load the Eligible Projects Portfolio with new Project production or existing unallocated Projects within 24 months.

BEST PRACTICES

- ⇒ The allocation period is 24 months or less.
- ⇒ The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the Framework.

Monitoring & Reporting



- The Issuer has committed to report on the use of proceeds annually, until full allocation and on a timely basis in case of material developments. The report will be publicly available until instrument maturity. If the report is externally verified, this verification will also be made publicly available.
- The reporting will cover relevant information related to the allocation of instrument proceeds and to the expected sustainable benefits of the projects.
- The reporting methodology and assumptions used to report on environmental and social benefits of the Eligible Categories will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Categories until full allocation and in case of material changes. Indicators used to report on environmental and social benefits will be verified internally by the Issuer.

Indicators

The Issuer has committed to transparently communicate at Eligible Category level on:

- Allocation of proceeds: The examples of indicators provided by the Issuer that may be used to report on the allocation of proceeds cover all relevant information.

REPORTING INDICATORS

- ⇒ The list of Eligible Projects (re)financed, including a brief description (subject to confidentiality considerations).
- ⇒ The net proceeds of outstanding GSS Financing instruments.
- ⇒ The proportion of spending by Eligible Project category as defined in the Use of Proceeds section.
- ⇒ The proportion of financing vs refinancing (%).
- ⇒ The balance of the unallocated proceeds.

- Environmental/social benefits: The indicators selected by the Issuer to report on the environmental and social benefits of the eligible Categories are clear and relevant.

ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFIT INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Renewable Energy	<ul style="list-style-type: none"> - Renewable energy generating capacity connected (MW) 	<ul style="list-style-type: none"> - CO₂e avoided (MT)
Clean Transportation	<ul style="list-style-type: none"> - Charging stations supported (# of ports) - Electric vehicles added to fleet (# vehicles) 	<ul style="list-style-type: none"> - CO₂e avoided (MT)



ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFIT INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Energy Efficiency & Carbon Reduction	<ul style="list-style-type: none"> - Energy storage connected (MWh) 	<ul style="list-style-type: none"> - CO₂e avoided (MT) - Expected energy savings per year (KWh)
Climate Change Adaptation	<ul style="list-style-type: none"> - Power lines converted from bare conductor (Miles) - Poles converted to fire resistant poles (#) 	
Socio-Economic Advancement and Empowerment, including Gender Inclusion	<ul style="list-style-type: none"> - Number of DBE¹²s engaged - Number of jobs supported by spending with DBEs 	<ul style="list-style-type: none"> - Number of jobs created by spending with DBEs.

BEST PRACTICES

- ⇒ The Issuer's report will be publicly available at least until bond maturity.
- ⇒ The indicators selected by the Issuer are exhaustive with regards to allocation reporting.
- ⇒ The indicators selected by the Issuer are clear and relevant and cover all expected benefits associated with the Eligible Categories.
- ⇒ The reporting methodology and assumptions used to report on environmental/social benefits of the Eligible Categories will be disclosed publicly.

¹² Diverse suppliers

Contribution to sustainability

Expected Impacts

The potential positive impact of the eligible projects on environmental and social objectives is considered to be Advanced.

ELIGIBLE CATEGORY	EXPECTED IMPACT	ANALYSIS
Renewable Energy	ADVANCED	Integration of renewable sources on the grid and the support of customer adoption of carbon-free technology are some of the key sector issues. The eligible projects within this category have the potential to positively impact the company, its supply chain and customers. In addition, the Issuer will exclude renewable sources that have levels of GHG emissions higher than 100gCO ₂ /kWh, aligned market best practices.
Clean Transportation	ADVANCED	The provision of infrastructure for clean transportation will be in high demand in the coming years following the request of state policies. ¹³ Projects to be financed under this category will likely have a positive impact on the company, its supply chain and on local stakeholders. Infrastructure for electric vehicles is automatically eligible under the most stringent international standards.
Energy Efficiency & Carbon Reduction	ROBUST	Projects to be financed under this category respond to some of the most material issues for the sector, such as energy efficiency and renewable energy. Projects have the potential to positively impact the company, its supply chain and local stakeholders.
Climate Change Adaptation	ADVANCED	Projects to be financed under this category respond to one of the key challenges for the distribution and transmission sector, physical risks of climate change. Projects may positively impact the company and its suppliers, as well as its customers and the general population, in addition to protecting biodiversity by reducing wildfire risks.
Socio-Economic Advancement and Empowerment, Including Gender Inclusion	ADVANCED	Besides promoting local socioeconomic development, this category aims to reduce inequality, an issue which remains a major challenge in the U.S. The projects tackle some of the most vulnerable target populations according to national regulations. In addition, the Issuer has the "Entrepreneurial, Development, Growth and Education (EDGE)" program, which aims to help small and diverse firms build capacity, grow capabilities, and become more competitive in the marketplace. The EDGE program includes workshops, mentorships and scholarships.
OVERALL ASSESSMENT	ADVANCED	

¹³ <https://www.gov.ca.gov/2020/09/23/governor-newsom-announces-california-will-phase-out-gasoline-powered-cars-dramatically-reduce-demand-for-fossil-fuel-in-californias-fight-against-climate-change/>



ESG Risks Identification and Management systems in place at project level

The identification and management of the environmental and social risks associated with the Eligible Projects are considered robust¹⁴.

	ELIGIBLE CATEGORIES				
	RENEWABLE ENERGY	CLEAN TRANSPORTATION	ENERGY EFFICIENCY & CARBON REDUCTION	CLIMATE CHANGE ADAPTATION	SOCIO-ECONOMIC ADVANCEMENT AND EMPOWERMENT
Environmental Management	X	X	X	X	X
Demand-side Management	X	X	X		
Eco-design	X	X	X	X	
Biodiversity	X			X	
Fugitive GHG Emissions		X	X		
Human Rights				X	
Health & Safety	X	X	X	X	
Socio-economic Local Development					X
Responsible Management of the Supply Chain	X	X	X	X	X
Business Ethics	X	X	X	X	X
OVERALL ASSESSMENT	Robust	Robust	Robust	Robust	Robust

Environmental Management

Edison International reports all Eligible Green Projects are covered by its Environmental Management System (EMS). SCE's Environmental Management System includes an internal framework of policies, standards and programs, which ensure all environmental requirements are identified and integrated into its operations and controls. This EMS covers all aspects of SCE's operations, from facility and fleet operations to infrastructure improvements and site remediation.

EMS processes are documented in SCE's Environmental Compliance Program Manual and are applied across 33 program areas. The program manages environmental objectives, targets and deadlines for SCE's facility operations, as well as field maintenance, construction and mitigation projects. SCE's EMS outlines roles and responsibilities for environmental stewardship, including the Environmental Services Department Director, who serves as the company's Chief environmental compliance program leader.

¹⁴ The "X" indicates the E&S risks that have been activated for each Eligible Category.



SCE has an Environmental Leadership Council, a cross-functional, executive-level group responsible for evaluating environmental policies and procedures and providing guidance to ensure consistent implementation of these policies. Among other topics, the council evaluates noncompliance incidents and trends, sharing best practices and directing improvement opportunities. SCE maintains a reporting system to document conformance with environmental processes, results of environmental inspections and releases of hazardous materials. Monthly and quarterly compliance reports are shared with the Environmental Leadership Council.

In addition, the EMS includes trainings and awareness programs. The Issuer reports there were more than 23,000 employee training course enrollments in 2020 across all company employees. Trainings cover material handling, spill awareness, hazardous waste management and dozens of other topics relevant to employees' security and pollution prevention and control.

An area of improvement would be to apply an exclusion criterion for diverse suppliers involved in sectors with high environmental impacts.

Demand-side management (Retail operations)

The Issuer reports to support customers' option to purchase power through Community Choice Aggregation (CCA) and Direct Access (DA). At the Edison Energy level, they help its large commercial, industrial and institutional customers align their investments to lower costs, mitigate risk, and improve efficiency and resiliency.

To encourage adoption of clean technologies, such as electric vehicles, electric heat pumps and energy storage, the company has implemented a new Time-Of-Use (TOU) rate, called Prime, which provides customers using electric technologies with lower rates when energy is cleanest and most affordable. The Issuer also offers SCE customers to reduce the cost of installing new energy storage systems through SCE's Self-Generation Incentive Program, supporting significant growth in the adoption of behind-the-meter systems.

For SCE customers who do not have the option to install solar or energy storage at their properties, SCE has the Green Rate and Community Renewables programs, where customers can choose to power their homes or businesses with 50-100% solar energy through third-party renewable power purchase agreements that SCE procures on customers' behalf.

Eco-design

SCE reports to explore different opportunities to promote circular economy by reselling or donating material and assets. Where these options do not exist, SCE evaluates the material for recycling or disposal. When materials are at the end of their useful lives, SCE follows all federal, state and local laws and regulations to determine how they will be reused, recycled, resold or disposed.

Finally, the Issuer reports that SCE's assets determined to be no longer useful or required are dispositioned in accordance with SCE's Disposition of Company Assets procedure. Construction project and maintenance and repair activity remnants are dispositioned in accordance with SCE's Disposition of Company Assets procedure.

An area for improvement is formalizing a strategy towards circular economy, including assessing the recycling potential of the assets, selecting the assets according to the reparability features, etc.

Biodiversity

SCE's Environmental Services Department facilitates project environmental reviews and compliance across the company. This includes managing environmental permits and submitting reports to regulatory agencies annually, as well as reviewing the potential impacts of infrastructure construction and maintenance projects. In 2020, SCE reportedly conducted environmental reviews of over 41,000 transmission, distribution, and generation infrastructure projects and more than 160,000 vegetation management projects to identify and avoid or minimize impacts to sensitive habitats, archaeological sites, and other protected resources. Project controls and mitigation measures are then put in place and managed throughout the life of the project through field verification and on-site project management.



SCE conducts external engagements for some of its licensed capital projects, though it is not a general practice. When there is an issue identified or brought to the company's attention, the Issuer might engage with external stakeholders as well. The Issuer reports to have the obligations to report on the performance of restoration and mitigation efforts to regulatory agencies which may conduct inspections to ensure mitigation and restoration performance.

Wildlife and Wildfires

To address wildfires, one of the key risks for the company, SCE has filed a Wildfire Mitigation Plan which aims to protect biodiversity, natural habitat and cultural resources. The Issuer reports approximately 40% of SCE's utility corridors are in areas that support threatened or endangered wildlife or plants and have become de facto wildlife corridors in many areas due to the surrounding urban development. The Issuer is committed to protecting special status species, their habitats, ecosystems, and cultural resources where they operate.

The Issuer reports to have surveyed more than 6,000 acres of United States Forest Service lands for cultural resources to identify and avoid these resources when conducting wildfire mitigation projects. These efforts protect and preserve cultural and tribal resources while supporting fire-hardening activities and are part of larger programmatic permitting initiatives to streamline the environmental compliance process. SCE has also protected, enhanced, or restored nearly 5,200 acres of land throughout its service area, conducting habitat restoration and mitigation consistent with professional standards and methodologies, with oversight by federal, state and local agencies.

SCE's Environmental Resources Management division works with consultants and environmental experts, including over 100 non-profit partners, to identify species and habitat resources, analyze potential effects, develop best management practices and conduct restoration efforts across its operational footprint. SCE participates in multi-stakeholder collaboration groups, such as the California Biodiversity Initiative and the San Gabriel Mountains Community Collaborative, which are designed to improve biodiversity.

Finally, the SCE's Environmental Services Department is available to respond to emergencies. When a wildfire occurs in SCE's service area, biologists and water quality specialists are called out along with crews to ensure impacts to endangered species and their habitats are avoided or reduced, as well as to ensure the correct permits are acquired to work in the area.

Energy efficiency and fugitive GHG emissions

The Issuer reports building-specific projects at SCE that will incorporate energy efficiency measures to meet California's Title 24 requirements.

Since 2010, SCE has designed new buildings to a minimum LEED (Leadership in Energy and Environmental Design) Silver-equivalent standard. The Issuer currently has one LEED Platinum building (Wildomar Service Centre), two LEED Gold buildings and six LEED Silver buildings.

GHG emissions are managed on T&D projects in accordance with local, regional, and state requirements, such as through Environmental Impact Reports and stationary combustion requirements. SCE manages fugitive GHG emissions (SF₆) in accordance with California Air Resources Board (CARB) regulation.

SCE activities regarding fugitive GHG emissions are compliance-driven, the Issuer has two separate compliance programs in place to ensure projects reduce and avoid GHG emissions. Fugitive GHG emissions include refrigerants and Sulfur Hexafluoride (SF₆).

The Refrigerants Compliance Program focuses on implementing strategies to reduce emissions of HFCs and PFCs from refrigeration and air conditioning equipment. Major components of the program require SCE personnel to monitor and maintain certain stationary refrigeration equipment/systems, prevent leakage over the operational life of the equipment



through leak detection inspections, major monitoring requirements, recordkeeping and reporting, and responsible disposal at the end of the useful life of the equipment, in accordance with local, state, and federal requirements.

Regarding Sulfur Hexafluoride (SF₆), there is a Compliance Program related to SF₆ use in gas insulated equipment (GIE) to comply with federal and state regulations. Major components of SCE's SF₆ Compliance Program include responsible handling and tracking of SF₆ GIE and containers, monitoring emissions of SF₆ GIE and SF₆ gas out in the field through leak detection systems, equipment installations/removals, ensuring compliant operation of SF₆ GIE (including any applicable maintenance and emissions tracking), and maintaining appropriate recordkeeping. SCE uses SF₆ alternative technologies such as vacuum and oil-filled equipment when practicable and seeks to phase out additional SF₆ GIE classes as the alternative technology becomes available.

Human Rights

The Issuer reports to have different policies and processes that support international Human Rights standards are respected in its activities and in those of its suppliers, including its Employee Code of Conduct and Supplier Code of Conduct.

The Issuer has implemented multiple formal mechanisms to promote a culture of open feedback, including a process that encourages reporting work environment, policy violation, and noncompliance issues through management, Human Resources, Ethics & Compliance, the Edison HelpLine, and other various channels. The Edison HelpLine offers confidential and anonymous reporting by phone, website, and its employee mobile application.

Non-represented employees (other than certain leadership positions) have access to an alternative dispute resolution process (Focus on Resolution) whereby they can request a review of a specific corrective action and related investigation to determine if the corrective action was appropriate. Represented employees have specific grievance reporting and escalation procedures as outlined in their collective bargaining agreements.

Indigenous rights

SCE collaborates with local communities to identify and protect environmentally and culturally sensitive areas. The Issuer conducts environmental reviews and stakeholder engagement to identify potential biodiversity and community impacts and seeks input from residents, businesses, landowners, tribal communities, government, and other stakeholders to address and mitigate concerns.

Data privacy

Edison International has privacy policies and practices to ensure customer and employee information is only used for the purpose for which it was collected. Guided by applicable privacy laws, including the California Privacy Rights Act and the California Consumer Privacy Act, SCE transparently shares with customers the personal information it collects and how that information is used. SCE provides data protection education at all levels of the organization. Data loss prevention controls are employed to protect personal information from data breaches.

Health & Safety

The Issuer reports that Title 8 of the California Code of Regulations and Title 29 of the Code of Federal Regulations require that employers maintain safety standards, programs, and policies for the welfare of its employees. Consequently, SCE maintains safety standards, programs, and policies designed to mitigate risk to workers when followed. On a routine basis, SCE reviews its standards, programs and policies to help ensure they are accurate, effective and up-to-date.

In addition to these safety policies and programs to keep employees, customers and the public protected, the Issuer reports to work towards strengthening its safety culture, ensuring everyone who steps into its facilities or works at one of its sites in the field is protected from physical injury.



The Issuer reports to provide employees with regular training, particularly for those who work in the field on higher-risk projects and has developed safety culture training for all its leaders and employees.

In addition, the Issuer reports on some safety initiatives across its operations including:

- Engagement and measurement, including deepening the impact of safety by integrating it into all aspects of work.
- Leadership and talent management, including expanding efforts to select and develop effective safety leaders
- Hazard awareness and risk management, including leveraging tools and data to identify, discuss, and mitigate serious injuries and fatalities

Some members of the Safety team have certifications that include Certified Safety Professional (CSP), Certified Utility Safety Professional (CUSP), Occupational Hygiene and Safety Technician (OHST), Certified Health and Safety Technician (CHST), and Certified Industrial Hygienists (CIH). They vary based on the functions they support. Some members of SCE's Audit Services department hold relevant certifications as well.

Socio-economic Local development

SCE's economic development team helps businesses get a competitive edge, providing one-on-one consultation services at no cost to the customer. Following an assessment of business needs and issues, SCE can propose a package of incentives, tools, and programs designed to help business customers lower operational costs and remain competitive in their markets.

SCE has Economic Development Consultants that provide one-on-one, specialized consulting services at no cost to its different business partners, who conduct assessments of each business and then propose a package of available incentives, tools and programs to reduce operating costs and help these businesses become more competitive.

SCE also has a Supplier Diversity program to help diverse firms gain access to contract opportunities in traditional and new sourcing areas while bringing economic benefits as well as job growth to local communities. Through supplier development programs, such as its EDGE (Entrepreneurial, Development, Growth and Education) program and tailored scholarships, the company helps small and diverse firms build capacity and grow capabilities.

Responsible Management of the Supply Chain

The Issuer has a Supplier Code of Conduct which outlines principles and standards recognized and implemented across a range of industries. This code of conduct covers issues such as employment practices and working conditions, health, safety and environment, security and use of property, resources and information, among others.

SCE Supplier Qualification and Periodic Review Programs require the demonstration and approval of a supplier's capability including safety, technical, reputational, quality, ethics, and compliance standards prior to performing work. SCE's solicitation procedure establishes the evaluation criteria for the selection of suppliers.

Contractual terms and conditions require that all SCE suppliers meet applicable laws, regulatory standards, and performance goals. Compliance with the EIX Supplier Code of Conduct is incorporated in supplier agreements and further addresses health, safety, environmental and reporting requirements pursuant to SCE's Environmental, Health and Safety handbook for contractors.

The Supplier Code of Conduct includes the company's HelpLine to report on any issues and non-compliance.

Information to customers

The Issuer reports to have a Consumer Advisory Panel (CAP) at SCE consisting of roughly 20 board members with demonstrated ties to SCE customers and community-based organizations within SCE's service territory. The CAP convenes 3-4 times each year and is chaired by the SCE Vice President of Corporate Communications or its designee. The objectives of this CAP are to advise SCE senior management on public policy and consumer issues, raise awareness



about legal, political, and regulatory issues facing the industry, and promote dialogue with opinion leaders from consumer groups, community-based organizations, environmental groups, among others.

Additionally, the Issuer has a Business Advisory Panel (BAP) at SCE which has approximately 30 strategic contacts from large and influential Commercial, Industrial, Government, Institutions, Agriculture, and Water segments. Meetings are held twice a year in the Spring and Fall to engage the panel through SCE related updates; facilitate customer best practices/roundtable sessions, etc.

The objectives of the BAP are to build strategic communication relationships with key, large business customers within SCE's service territory, to create two-way communication channels between SCE and business customers to share important issues, and to create a listening post for enhancing SCE's Customer Engagement Strategy, among others.

Finally, SCE is subject to oversight by the California Public Utilities Commission, including the Consumer Protection and Enforcement Division (CPED).

Business ethics

The Issuer has developed an integrated Compliance Management Framework with which it addresses ethics through a three-step process:

- Prevention: Identify, interpret and implement compliance requirements, ensuring employees understand their roles and responsibilities.
- Detection and response: Monitor, investigate and report on compliance processes, practices and outcomes to provide reasonable assurance that operations adhere to applicable requirements.
- Improvement: Update policies and processes and seek out best practices.

The Issuer's Ethics and Compliance Code for Directors outlines how members of the Board are expected to conduct themselves. The code covers topics such as conflicts of interest, confidentiality and fair dealing. The Board's Nominating and Governance Committee periodically reviews the code to ensure it is appropriate for the company and complies with applicable law, regulation or stock exchange listing standard. The Board also has regular Ethics and Compliance oversight training conducted by the Chief Ethics and Compliance Officer.

The Employee Code of Conduct outlines the expectations the Issuer has for ethical behaviour in the workplace, including with regard to the Issuer's policy on anti-corruption.

To help employees access guidance on the Code of Conduct, the Issuer has developed the Ethics@Work app, available to all employees. Through this smartphone platform, employees can access the code and company policies, find useful resources and report concerns to the Employee Helpline.

Finally, as part of the Compliance Management Framework, the company regularly screens suppliers and other third parties to identify reputational and compliance risks as well as potential instances of corruption.



ISSUER

Management of ESG Controversies

As of today, Edison International is involved in 6 ESG controversies, related to three of the six domains analyzed by V.E:

- Environment, namely "Biodiversity", "industry accidents and pollution".
- Business Behavior, namely "Customer relations".
- Community Involvement, namely "Social and economic development".

Frequency: On average the controversies are considered frequent, ranging from isolated to persistent, above the sector average.

Severity: The severity of their impacts both on the company and its stakeholders is considered overall high, ranging from minor to high, in line with the sector average.

Responsiveness: Edison International is overall proactive to the controversies, above the sector average.

Involvement in Controversial Activities

Edison International is involved in two of the 17 controversial activities screened under our methodology:

- Minor involvement in Fossil Fuel Industry: Edison International has an estimated revenue from fossil fuels which is over 1% of total revenue. This revenue is derived from the generation of electricity from fossil fuels. The Company reports that approximately 17% of power delivered to its subsidiary SCE customers comes from utility-owned generation in 2020. Sources of utility-owned generation include 5% natural gas, as well as 8% nuclear, 3% large hydroelectric, 1% small hydroelectric, less than 1% solar generation and a de minimis amount of diesel to serve Catalina Island, CA.
- Minor involvement in Nuclear Power: Edison International has an estimated revenue from nuclear power which is 1.5% of its total revenue. SCE was the majority owner of the 3-unit San Onofre nuclear generating station in California, which is in shutdown and awaiting decommissioning. The Company, however, continues to sell electricity generated by the Palo Verde Nuclear Generating Station, in which SCE has a 16.8% interest. The Company reports that 8% of the power delivered to SCE's customers in 2019 came from nuclear power generation.

The Issuer appears to not be involved in any of the other 15 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from V.E.

METHODOLOGY

In V.E's view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, V.E provides an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the company; then the Executive Director in charge of Methods, Innovation & Quality; and finally, V.E's Scientific Council. All employees are signatories of V.E's Code of Conduct, and all consultants have also signed its add-on covering financial rules of confidentiality.

COHERENCE

Scale of assessment: not coherent, partially coherent, coherent

This section analyses whether the activity to be financed through the selected instrument is coherent with the Issuer's sustainability priorities and strategy, and whether it responds to the main sustainability issues of the sector where the Issuer operates.

ISSUANCE

Alignment with the Green and Social Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by V.E according to the ICMA's Green Bond Principles - June 2018 ("GBP"), the Social Bond Principles - June 2020 ("SBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and their sustainable objectives and benefits are a core element of Sustainable Bonds standards. V.E evaluates the clarity of the definition of the Eligible Categories, as well as the definition and the relevance of the primary sustainability objectives. We evaluate the descriptions of the expected benefits in terms of relevance, measurability and quantification. In addition, we map the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process is assessed by V.E on its transparency, governance and relevance. The eligibility criteria are assessed on their clarity, relevance and coverage vs. the intended objectives of the Eligible Projects.

Management of proceeds

The process and rules for the management and the allocation of proceeds are assessed by V.E on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer are assessed by V.E on their transparency, exhaustiveness and relevance, covering the reporting of both proceeds' allocation and sustainable benefits (output, impact indicators).



Contribution to sustainability

Scale of assessment: Weak, Limited, Robust, Advanced

V.E's assessment of activities' contribution to sustainability encompasses both the evaluation of their expected positive impacts on environmental and/or social objectives, as well the management of the associated potential negative impacts and externalities.

Expected positive impact of the activities on environmental and social objectives

The expected positive impact of activities on environmental and/or social objectives to be financed by the Issuer or Borrower is assessed on the basis of:

- i) the relevance of the activity to respond to an important environmental objective for the sector of the activity; or to respond to an important social need at country level;¹⁵
- ii) the scope of the impact: the extent to which the expected impacts are reaching relevant stakeholders (i.e. the issuer, its value chain, local and global stakeholders); or targeting those populations most in need;
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental and/or social objectives (capacity to not just reduce, but to prevent/avoid negative impact; or to provide a structural/long-term improvement);
- iv) only for environmental objectives, the extent to which the activity is adopting the best available option.

Activities' ESG risk management

The identification and management of the potential ESG risks associated with the eligible projects/activities are analysed on the basis of V.E's ESG assessment methodology, international standards and sector guidelines applicable in terms of ESG management and assessment.

ISSUER

Management of stakeholder-related ESG controversies

V.E defines a controversy as public information or contradictory opinions from reliable¹⁶ sources that incriminate or make allegations against an issuer regarding how it handles ESG issues as defined in V.E ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

V.E reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

V.E provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- **Frequency**: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- **Severity**: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the company, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).

¹⁵ The importance of a specific social need at country level is assessed on the basis of the country performance on the priority SDG that the project is targeting using data from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020. Cambridge: Cambridge University Press

¹⁶ 'Reliable' means that there are sufficient details to substantiate claims made, with due attention paid to the political dimension of news and the danger of misinformation. V.E draws on investigative journalism, the business press, NGO and trade union reports which focus on corporate behavior relating to ESG issues. It is neither possible nor advisable to create a prescriptive fixed list of sources as new, valid sources arise all the time and it is necessary to investigate these as and when they are retrieved in order to comprehensively cover evolving issues and media.

- **Responsiveness:** ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, V.E's controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to screen the company's involvement in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the company.

V.E'S ASSESSMENT SCALES

Scale of assessment of financial instrument's Contribution to sustainability		Scale of assessment of financial instrument's alignment with Green and/or Social Bond and Loan Principles	
Advanced	An advanced expected impact combined with an advanced to robust level of E&S risk management & using innovative methods to anticipate new risks.	Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles by adopting recommended and best practices.
Robust	A robust expected impact combined with an advance to robust level of assurance of E&S risk management or an advanced expected impact combined with a limited level of assurance of E&S risk management.	Aligned	The Instrument has adopted all the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles.
Limited	A limited expected impact combined with an advanced to limited level of assurance of E&S risk management; or a robust expected impact combined with a limited to weak level of assurance of E&S risk management; or an advance expected impact combined with a weak level of assurance of E&S risk management.	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles, but not all of them.
Weak	A weak expected impact combined with an advanced to weak level of assurance of E&S risk management or a limited expected impact with a weak level of assurance of E&S risk management.	Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles.



DISCLAIMER

Transparency on the relation between V.E and the Issuer: V.E has not carried out any audit mission or consultancy activity for Edison International. No established relation (financial or commercial) exists between V.E and the Issuer. V.E's conflict of interest policy is covered by its Code of Conduct, which can be found at <http://vigeo-eiris.com/wp-content/uploads/2018/07/Code-of-Conduct-Vigeo-Eiris-EN.pdf>.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bond, based on the information which has been made available to V.E. V.E has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by V.E neither focuses on the financial performance of the Bond, nor on the effective allocation of its proceeds. V.E is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

Restriction on distribution and use of this opinion: The deliverables remain the property of V.E. The draft version of the Second Party Opinion by V.E is for information purpose only and shall not be disclosed by the client. V.E grants the Issuer/Borrower all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer/Borrower shall determine in a worldwide perimeter. The Issuer/Borrower has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond(s) issuance. The Issuer acknowledges and agrees that V.E reserves the right to publish the final version of the Second Party Opinion on V.E's website and on V.E's internal and external communication supporting documents.

© 2021 Vigeo SAS and/or its licensors and subsidiaries (collectively, "V.E"). All rights reserved.

V.E provides its customers with data, information, research, analyses, reports, quantitative model-based scores, assessments and/or other opinions (collectively, "Research") with respect to the environmental, social and/or governance ("ESG") attributes and/or performance of individual issuers or with respect to sectors, activities, regions, stakeholders, states or specific themes.

V.E'S RESEARCH DOES NOT ADDRESS NON-ESG FACTORS AND/OR RISKS, INCLUDING BUT NOT LIMITED TO: CREDIT RISK, LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. V.E'S RESEARCH DOES NOT CONSTITUTE STATEMENTS OF CURRENT OR HISTORICAL FACT. V.E'S RESEARCH: (i) DOES NOT CONSTITUTE OR PROVIDE CREDIT RATINGS OR INVESTMENT OR FINANCIAL ADVICE; (ii) IS NOT AND DOES NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES; AND (iii) DOES NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. V.E ISSUES ITS RESEARCH WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

V.E'S RESEARCH IS NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE V.E'S RESEARCH WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. V.E'S RESEARCH IS NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT V.E'S PRIOR WRITTEN CONSENT.

ALL INFORMATION CONTAINED HEREIN IS OBTAINED BY V.E FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. BECAUSE OF THE POSSIBILITY OF HUMAN OR MECHANICAL ERROR AS WELL AS OTHER FACTORS, HOWEVER, ALL INFORMATION CONTAINED HEREIN IS PROVIDED "AS IS" WITHOUT WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. V.E IS NOT AN AUDITOR AND CANNOT IN EVERY INSTANCE INDEPENDENTLY VERIFY OR VALIDATE INFORMATION IT RECEIVES.

To the extent permitted by law, V.E and its directors, officers, employees, agents, representatives, licensors and suppliers (together, "**V.E Parties**") disclaim liability to any person or entity for any (a) indirect, special, consequential, or incidental losses or damages, and (b) direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded); on the part of, or any contingency within or beyond the control of any **V.E Party**, arising from or in connection with the information contained herein or the use of or inability to use any such information.

Additional terms For PRC only: Any Second Party Opinion or other opinion issued by V.E: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.